

REGISTERED COMPANY NUMBER: 3525955 (England and Wales)
REGISTERED CHARITY NUMBER: 1073291

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2020
for
Independence Initiative Limited**

SB&P
Chartered Accountants
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Independence Initiative Limited

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for the Year Ended 31 March 2020

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**Report of the Trustees
for the Year Ended 31 March 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Aims and Objects of the Charity are:

To promote social inclusion for the public benefit by preventing people from being socially excluded by relieving their needs and assisting them to integrate into society.

The relief of poverty, the physical and mental sickness and distress of persons in need by reason of addiction to drugs, alcohol and other similar substances and their families, in particular (but without prejudice to the generality of the foregoing) by the provision of services designed to facilitate the long term rehabilitation of such persons and the provision of support to their families.

The prevention of dependence on drugs, alcohol and other similar substances.

The education and training of the public regarding the dangers of drugs, alcohol and other similar substances and constructive means of dealing with such dangers.

The charity's definition of 'socially excluded' means being excluded from society, or parts of society, as a result of one of more of the following factors:

- Substance abuse or dependency including alcohol and drugs
- Ill health (physical or mental)
- Relationship and family breakdown
- Domestic violence
- Unemployment
- Financial hardship
- Poor housing (that is housing that does not meet basic habitable standards)
- Crime (either as a victim of crime or as an offender rehabilitating into society)

Significant activities

Historically, the unique selling point of the organisation has been the one-to-one nature of support we have provided to people experiencing substance misuse problems. Highly personalized support over a period of time has included crisis support, access to psychosocial interventions and creative methods of engagement designed to build confidence and self-esteem as a foundation for more effective recovery. People are referred to us from local GPs, via prisons, probations services or other key agencies. Each person is assessed and an individual action plan is negotiated with them that meets their short, medium and long-term aspirations. However, our activities have evolved and our one-to-one model of support is now supplemented with small group work with our residents and other community members.

The Key, our transitional housing unit based at our Balliol Road site and in our houses in the community, has continued to grow. We are now a significant provider of transitional housing for people experiencing substance misuse problems combined with other chronic issues. So, we provide stable housing and intensive support for people experiencing difficult combinations of drug and alcohol use, offending histories, mental ill-health, homelessness and long-term physical health conditions. During this financial year the number of beds available has grown from 21 to 25. We also continue to support non-residents across Merseyside through outreach and community support.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefits are to help reduce the risk of homelessness, the risk of crime, the cost to society of criminality and the fear of crime, lower the levels of ill health, emergency attendances at A&E and the number of in-patient nights, help reduce the impact of addiction on children, families and the wider community and motivate clients to develop the skills required to overcome benefits dependency and enter employment.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2019/20 was the first year without any local authority contracts. Therefore, we were not required to meet the outcomes as usually required in such a contract.

Independence Initiative continues to perform at a high level, however, and the range of opportunities provided to service users remains as varied as ever, based as it is on their individual aspirations. Their programme of activities is produced after a negotiation about what they believe will help them on their road to recovery, and we aim to offer direct support or access to external services and organisations to help them move forward. Fundamentally, all of our activities aim to help people to reduce their dependency on drugs and alcohol, but we recognise the importance of supporting people to improve their wider mental health, to address physical health problems more effectively and to build confidence and self-belief.

Our transitional housing provision remains strong with people supported through residency in our properties this year. We have increased the number of beds we offer and have also identified a number of new agencies who are keen to work with us in finding effective housing for local people who are often at risk of homelessness and in need of wrap around psychosocial support. Constructive activities with residents continue to flourish, both on a one-to-one and group basis. We have continued to offer people personal support, facilitated access to health, advice and other welfare services, encouraged the re-development of connections with families (where appropriate), facilitated positive group activities such as gardening and maintenance projects and supported access to learning and employability programmes.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

At the start of 2019/20 we implemented an updated funding strategy that is based on both income from The Key properties and grant/trust funding.

During this financial year we continued to receive income from two major grants that were received in 2017/18.

- The Steve Morgan Foundation agreed to a sum of £63,000 over 3 years (£21k per annum) towards our core staffing costs
- Lloyds Bank Foundation awarded us £66,000 over 3 years (£22k per annum) towards our running costs of The Key
- Peoples Health Trust awarded us £40,049 over 2 years (£30k and £10k)
- We continued with our contract with VOLA to deliver Digital Inclusion skills to residents of Sefton as part of the IT-Mersey contract. Big Lottery Fund is matching their funding with ESF to create the Building Better Opportunities (BBO) initiative which is designed to fund projects to tackle poverty and promote social inclusion for the most disadvantaged. This contract is worth £18,600 to the Independence Initiative

2019/20 was another year of adjustment for many organisations, including charities like Independence Initiative. The service remained open 5 days per week and the organization began to successfully diversify income streams to avoid over reliance on a single source or contract and provide a more sustainable mix of income generation for the future.

The need for community working has become clearer over the year and now forms a big part of our funding plans. So, our grant funding strategy focuses on providing additional and enriching activities for our residents as well as responding to the needs of the wider community across North Merseyside to engage people facing some of the same complex and multi-faceted challenges as our residents.

The Key transitional housing project is an important part of our strategy and expansion continued throughout the year. During 2019-20 we grew our offer by 6 beds, now spread across 5 sites/houses, taking our capacity to 25.

The Independence Initiative were successful in applying for several new grants during the year:

Sefton CVS	£2,000	Delivery of specialist interventions
Regenerous	£273	Provision of gardening equipment
WEA	£11,500	Delivery of specialist interventions
Liverpool CVS	£1,820	Delivery of specialist interventions
Sefton CVS	£1,250	Delivery of specialist interventions
Screwfix	£1,090	CAPITAL - bathroom fittings in The Key
Woodward	£500	Delivery of specialist interventions

The charity Choose Life continues to rent accommodation and provide services at the Balliol Road premises and we continued to host local Fellowship meetings in support of the wider community.

Case Studies

Male

Arrived at the Indy aged 24

Drug Use : Cannabis and Cocaine.

This client arrived at Indy after a lengthy prison sentence for committing county lines drug offences. He had a history of being excluded from education, care homes, parents and ex-tended family. He commenced street homelessness, eventually sofa surfing across the hostel circuit. Recruitment by older drug users to initially sell drugs in the hostels, he quickly progressed to county lines. He was eventually incarcerated for conspiracy across county lines.

On arrival with the Indy he had no connection to family, friends, and was suffering with high levels of social anxiety. He was unable to go out on his own, would not use public transport, and had poor budgeting skills. He demonstrated trust issues around authority, and he displayed poor communication skills, with low self-esteem and self-efficacy.

Initially the main focus was to build his self-confidence, self-belief and self-worth and focus on his health and wellbeing. He is now in a position whereby he has completed courses on offer in -house around digital inclusion, employability, healthy eating on a budget, and many external courses, including warehouse and stock management, that led to some sessional part time work. He supported himself on an NVQ level 2 professional cookery and good service course, which he recently passed with a distinction. He is also reconnecting to his family and is slowly creating a relationship again.

ACHIEVEMENT AND PERFORMANCE

Male

Arrived at The Indy aged 32

Drug Use: Heroin, Crack, Benzodiazepines and Xanax

This client had a long history of foster care, street homelessness and short but frequent spells in prison, high levels of recidivism, no connection to family, and was also estranged from immediate and extended family.

Initially the main support was to keep him focused on his recovery plan and keep him engaged with specialist prescribing services. One of the main challenges was helping him break the cycle of crime which he had used to fund his drug habit, and the challenge of budgeting effectively on his monthly Universal Credit. He received intense support 1-2-1 support regarding this in-house and he commenced some internal courses around digital inclusion, employability and eating healthily and a budget. There was also an aspiration to commence a barbering course, and as a result he found a course which met his requirements. He commenced a Barbering level 2 course September 2019 and graduated with a distinction, he is awaiting to commence Barbering Level 3 in this academic year. He has also managed to break his cycle of recidivism, he has completed his probation licence in the community for the first time and is no longer involved in the criminal justice system. He also has a burgeoning connection with his immediate family, which he is hoping in time will continue to grow.

FINANCIAL REVIEW

Reserves policy

As an organisation with ever-increasing demand for its services, the board of trustees believes that it is necessary for the Charity to be able to maintain free reserves within a range that equates to between 3 and 6 months of resources expended in general funds. This range is not currently maintained and the trustees continue to regularly monitor the level of reserves and are implementing strategies in order to achieve this policy. As part of the evaluation findings the Board recognises the need for diversifying income generation going forward.

FUTURE PLANS

Ongoing strategic plans currently centre on the consolidation of our transitional housing project. We have established a partnership in this venture with One Vision Housing, with our residents being provided with fast-track access to suitable social housing once they have established themselves as 'tenancy ready'. We will continue to review the demand for transitional housing and will consider further expansion if this is required and feasible. One of the 4 bed units is a "female only" unit and we will re-visit, and potentially revise, our plans for supporting women during the course of 2020-21. Planning permission was granted in 2009 for the erection of a 10 bedroom extension to the Balliol Road site, which is owned by the Charity. Bids will continue to be prepared when funding opportunities become available. The original planning permission was for a period of 3 years, a successful application for an extension to this permission was completed in October 2012. This permission is now on hold in agreement with Sefton MBC and can be re-opened at the appropriate time. We will continue to assess the feasibility of this potential development.

Identifying new income streams to replace ever dwindling voluntary contract funding has become increasingly important for the charity, and this will continue over the next 5 years. We believe we have begun to develop a reputation with funders for effective project delivery and hope to build on this over time.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing documents, the Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The original trustees were board members of Bootle Maritime City Challenge, the original fund provider. They became a steering group, and when the organisation became a Charity, they became the founding members and trustees.

Gaps in the skills required were identified, and individuals were recruited to fill the vacancies. All trustees submit themselves to re-election every three years. As individuals resigned replacements were recruited through advertising and networks to reflect the changing needs of the organisation.

All trustees are given induction into the work of the organisation and the duties of trustees. Developmental publications, recommended by the Charity Commission, are distributed to all trustees that are specific to the roles of chair, treasurer, secretary and trustee. Trustees benefit from peer learning opportunities as many of them have vast experience elsewhere on other committees and boards in the voluntary sector, and also in statutory and business settings.

The trustees are appointed by the members of the company and one third of the trustees normally retires by rotation each year and are eligible for re-election at the Annual General Meeting.

1 trustee resigned/retired during the year. With support from Lloyds Bank Foundation the Board advertised for new trustees via Reach Volunteering, resulting in 3 new trustees being appointed during the year.

Organisational structure

The Independence Initiative is governed by its board of trustees, who are also directors for the purposes of company law. The trustees are responsible for setting the strategic direction of the organisation and for establishing policy. The Board aims to meet eight times a year. The Board delegates the management of the organization to the Chief Executive, who in turn leads a staff team with specific areas of responsibility.

Induction and training of new trustees

New trustees receive information packs about the charity showing the previous year's financial statements, various officer's reports, business plans and organisational structure. Newly appointed trustees gain experience by attending various trustee meetings.

Strategy Sub Committee

During the year the Board adopted a sub-committee to deal with strategic matters. This sub-committee reports all findings and recommendations to the full Board for consideration and approval.

Related parties

No transactions occurred during the year with related parties.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major strategic, business and operational risks to which the Charity is exposed and are satisfied that systems have been established to mitigate our exposure to major risks.

Further to this, the trustees have in place the appropriate insurance policies, including Trustees Indemnity Insurance. The Charity maintains a contingency to meet most situations including closure costs should this be required.

Regular Health and Safety and Risk Assessments are carried out and reviewed as required. All clients, staff and visitors are required to sign in and out of the building to ensure known numbers are in the building.

Internal risk is assessed with all staff members.

A part of the building contains a "Safe Store," this area contains all hazardous materials and valuable items and is kept locked. All items of equipment and materials are signed out of the store and in again after use.

PAT Testing is not required because the equipment we own constitutes a low risk so we can check everything ourselves.

Mobile phones are provided for all staff required to work off-site in the community and Managers are on-call 24 hours a day 7 days a week to support staff in the Key.

STRUCTURE, GOVERNANCE AND MANAGEMENT

COVID 19 Postscript

It became clear during the first few months of 2020 that the Covid 19 pandemic would have a major impact on the entire world. The UK Government subsequently instigated a "national lockdown" in March 2020 that would eventually last for several months, with no outcomes possible to plan for.

For the Independence Initiative this meant we were facing major issues with delivery and funding. Our services would be under increased pressure while funding suddenly stopped. Data from NCVO (National Council for Voluntary Organisations) predicted that the sector's income was predicted to drop by over £4 billion in the first 12 weeks in any lockdown.

A plan was put in place to deal with this emergency including:

All but 1 staff member placed on furlough by accessing financial support from the Government's Job Retention Scheme.

For all other staff;

A successful emergency funding plan put in place

Local authority grants applied for and secured

Payment holidays arranged with suppliers

BBL (Bounce Back Loan) arranged - backed by the Government with a low interest rate of 2.5%

These measures have ensured that the Independence Initiative is well placed to continue serving our residents, clients, and the local community going forward

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

3525955 (England and Wales)

Registered Charity number

1073291

Registered office

64-68 Balliol Road

Bootle

Liverpool

Merseyside

L20 7EJ

Trustees

Celia Blackburn VICE CHAIR

Nigel Edmund Bellamy

Stuart Creak Treasurer

William Bowley

Jon Wild CHAIR

Andrea Dolan (resigned 14.3.20)

Barry Canning Eaton

Amanda Lewtas (appointed 1.1.20)

Simon Morris (appointed 1.1.20)

Fiona Smith (appointed 1.1.20)

Independent Examiner

Suzanne Draper

FCCA ACA

SB&P

Chartered Accountants

Oriel House

2/8 Oriel Road

Bootle

Merseyside

L20 7EP

Independence Initiative Limited

Report of the Trustees
for the Year Ended 31 March 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

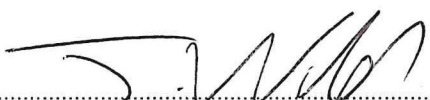
HSBC Bank plc
197 Stanley Road
Bootle
Liverpool
Merseyside
L20 7EJ

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 5/1/2021 and signed on its behalf by:


.....
Jon Wild - Trustee

Independent examiner's report to the trustees of Independence Initiative Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Suzanne Draper
FCCA ACA
SB&P
Chartered Accountants
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 5/1/2021

Independence Initiative Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		41,269	49,341	90,610	109,186
Charitable activities					
Addiction support services		140,786	-	140,786	188,780
Total		182,055	49,341	231,396	297,966
EXPENDITURE ON					
Charitable activities					
Addiction support services		210,377	46,821	257,198	272,235
NET INCOME/(EXPENDITURE)		(28,322)	2,520	(25,802)	25,731
Transfers between funds	11	2,600	(2,600)	-	-
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		153,917	-	153,917	-
Net movement in funds		128,195	(80)	128,115	25,731
RECONCILIATION OF FUNDS					
Total funds brought forward		61,062	50,885	111,947	86,216
TOTAL FUNDS CARRIED FORWARD		189,257	50,805	240,062	111,947

The notes form part of these financial statements

Independence Initiative Limited

Balance Sheet
31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS					
Tangible assets	6	244,493	50,805	295,298	141,980
CURRENT ASSETS					
Debtors	7	12,321	-	12,321	6,958
Cash at bank and in hand		1,299	-	1,299	1,099
		<u>13,620</u>	<u>-</u>	<u>13,620</u>	<u>8,057</u>
CREDITORS					
Amounts falling due within one year	8	(68,856)	-	(68,856)	(38,090)
NET CURRENT ASSETS		<u>(55,236)</u>	<u>-</u>	<u>(55,236)</u>	<u>(30,033)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>189,257</u>	<u>50,805</u>	<u>240,062</u>	<u>111,947</u>
NET ASSETS		<u>189,257</u>	<u>50,805</u>	<u>240,062</u>	<u>111,947</u>
FUNDS	11				
Unrestricted funds				189,257	61,062
Restricted funds				50,805	50,885
TOTAL FUNDS				<u>240,062</u>	<u>111,947</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 5/1/2021 and were signed on its behalf by:


Jon Wild - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The accounts have been prepared on the going concern basis. The Board of Trustees have considered a period of 12 months from the date of approval of the financial statements. A surplus is estimated to March 2021 of £150,000. This will give the charity financial stability into the financial year ended 31 March 2022 and enable the charity to continue until that date.

The charity generated a deficit of £25,802 (2019: surplus £25,731). This has resulted in a current liability position of £55,236 (2019: £30,033).

The trustees and management continue to closely monitor the charity's finances in order to make certain it remains in a position to meet its short term liabilities as they fall due, and to be able to discharge any outstanding liabilities in the event of winding up. Short term working capital requirements are met through the use of an approved overdraft facility. No adjustments have been made in these financial statements to reflect the position if the charity ceased to be a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Tangible fixed assets capable of lasting more than one accounting period are capitalised and included at cost including any incidental costs of acquisition.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated residual life.

Freehold property	- straight line basis over 24 yrs to residual value of £130,000
Fixtures and fittings	- 25% straight line basis

A deed of covenant is in place whereby on sale of the property for any use other than a drug rehabilitation centre, an amount of 50% of the difference between sale value and open market value with restricted use is payable to the Metropolitan Borough Council of Sefton. As there is no intention to sell the property, no liability (either contingent or actual) is provided in these financial statements. This restriction expires on 24th July 2038.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds set aside at the discretion of the trustees.

1. ACCOUNTING POLICIES - continued**Fund accounting**

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.20	31.3.19
	£	£
Depreciation - owned assets	599	549
	<u>599</u>	<u>549</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

	31.3.20	31.3.19
	£	£
Trustees' expenses	31	34
	<u>31</u>	<u>34</u>

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.3.20	31.3.19
Chief Executive	1	1
Client Support Services	7	10
Management & Admin	1	1
General Charitable Activities	3	3
	<u>12</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	53,416	55,770	109,186
Charitable activities			
Addiction support services	188,780	-	188,780
Total	<u>242,196</u>	<u>55,770</u>	<u>297,966</u>
EXPENDITURE ON			
Charitable activities			
Addiction support services	216,358	55,877	272,235
NET INCOME/(EXPENDITURE)	<u>25,838</u>	<u>(107)</u>	<u>25,731</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	35,224	50,992	86,216
TOTAL FUNDS CARRIED FORWARD	<u><u>61,062</u></u>	<u><u>50,885</u></u>	<u><u>111,947</u></u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 April 2019	142,000	52,000	194,000
Revaluations	153,000	-	153,000
At 31 March 2020	<u>295,000</u>	<u>52,000</u>	<u>347,000</u>
DEPRECIATION			
At 1 April 2019	417	51,603	52,020
Charge for year	500	99	599
Revaluation adjustments	(917)	-	(917)
At 31 March 2020	<u>-</u>	<u>51,702</u>	<u>51,702</u>
NET BOOK VALUE			
At 31 March 2020	<u><u>295,000</u></u>	<u><u>298</u></u>	<u><u>295,298</u></u>
At 31 March 2019	<u><u>141,583</u></u>	<u><u>397</u></u>	<u><u>141,980</u></u>

At 31 March 2020 the premises 64-68 Balliol Road was revalued by property valuers SK Real Estate at an open market valuation of £295,000. The original cost of the buildings at 31 March 2020 was £142,000 (2019 - £142,000) and accumulated depreciation at 31 March 2020 was £917 (2019 - £417)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Trade debtors	<u>12,321</u>	<u>6,958</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Bank loans and overdrafts (see note 9)	16,116	12,108
Other loans (see note 9)	36,586	12,570
Social security and other taxes	6,721	7,114
Pensions	1,110	1,765
Net wages	92	-
Other creditors	1,320	196
Accrued expenses	2,212	4,337
Grants in advance	4,699	-
	<u>68,856</u>	<u>38,090</u>

9. LOANS

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	16,116	12,108
Other loans	36,586	12,570
	<u>52,702</u>	<u>24,678</u>

10. SECURED DEBTS

The re-financing agreement was secured against the assets to which it relates, a first charge against all properties acquired by the charity in the future, and a first charge against any present or future interests of the charity not effectively mortgaged or charged. This charge was removed in October 2019 when the re-financing agreement was repaid.

11. MOVEMENT IN FUNDS

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	40,286	125,595	2,600	168,481
Cessation fund	20,776	-	-	20,776
	<u>61,062</u>	<u>125,595</u>	<u>2,600</u>	<u>189,257</u>
Restricted funds				
Sefton DAAT - Capital	26,168	-	-	26,168
South Sefton Development Trust	5,396	-	-	5,396
Big Lottery	321	(80)	-	241
Hemby Trust	1,000	-	-	1,000
The Clothworkers	10,000	-	-	10,000
Sovini Restricted Donation	7,000	-	-	7,000
Help the Homeless	1,000	-	-	1,000
Steve Morgan Foundation	-	2,600	(2,600)	-
	<u>50,885</u>	<u>2,520</u>	<u>(2,600)</u>	<u>50,805</u>
TOTAL FUNDS	<u>111,947</u>	<u>128,115</u>	<u>-</u>	<u>240,062</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	182,055	(210,377)	153,917	125,595
Restricted funds				
South Sefton Development Trust	4,378	(4,378)	-	-
Big Lottery	-	(80)	-	(80)
Lloyds Bank Foundation E&W	21,363	(21,363)	-	-
Steve Morgan Foundation	23,600	(21,000)	-	2,600
	<u>49,341</u>	<u>(46,821)</u>	<u>-</u>	<u>2,520</u>
TOTAL FUNDS	<u>231,396</u>	<u>(257,198)</u>	<u>153,917</u>	<u>128,115</u>

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	14,448	25,838	40,286
Cessation fund	20,776	-	20,776
	<u>35,224</u>	<u>25,838</u>	<u>61,062</u>
Restricted funds			
Sefton DAAT - Capital	26,168	-	26,168
South Sefton Development Trust	5,396	-	5,396
Big Lottery	428	(107)	321
Hemby Trust	1,000	-	1,000
The Clothworkers	10,000	-	10,000
Sovini Restricted Donation	7,000	-	7,000
Help the Homeless	1,000	-	1,000
	<u>50,992</u>	<u>(107)</u>	<u>50,885</u>
TOTAL FUNDS	<u>86,216</u>	<u>25,731</u>	<u>111,947</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	242,196	(216,358)	25,838
Restricted funds			
Big Lottery	-	(107)	(107)
Awards for All	10,000	(10,000)	-
Lloyds Bank Foundation E&W	24,770	(24,770)	-
Steve Morgan Foundation	21,000	(21,000)	-
	<u>55,770</u>	<u>(55,877)</u>	<u>(107)</u>
TOTAL FUNDS	<u>297,966</u>	<u>(272,235)</u>	<u>25,731</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	14,448	151,433	2,600	168,481
Cessation fund	20,776	-	-	20,776
	<u>35,224</u>	<u>151,433</u>	<u>2,600</u>	<u>189,257</u>
Restricted funds				
Sefton DAAT - Capital	26,168	-	-	26,168
South Sefton Development Trust	5,396	-	-	5,396
Big Lottery	428	(187)	-	241
Hemby Trust	1,000	-	-	1,000
The Clothworkers	10,000	-	-	10,000
Sovini Restricted Donation	7,000	-	-	7,000
Help the Homeless	1,000	-	-	1,000
Steve Morgan Foundation	-	2,600	(2,600)	-
	<u>50,992</u>	<u>2,413</u>	<u>(2,600)</u>	<u>50,805</u>
TOTAL FUNDS	<u>86,216</u>	<u>153,846</u>	<u>-</u>	<u>240,062</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	424,251	(426,735)	153,917	151,433
Restricted funds				
South Sefton Development Trust	4,378	(4,378)	-	-
Big Lottery	-	(187)	-	(187)
Awards for All	10,000	(10,000)	-	-
Lloyds Bank Foundation E&W	46,133	(46,133)	-	-
Steve Morgan Foundation	44,600	(42,000)	-	2,600
	<u>105,111</u>	<u>(102,698)</u>	<u>-</u>	<u>2,413</u>
TOTAL FUNDS	<u>529,362</u>	<u>(529,433)</u>	<u>153,917</u>	<u>153,846</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

13. RESTRICTED FUNDS

Sefton DAAT - Capital Fund

This fund represents a grant awarded towards the cost of general capital expenditure. An amount is charged to the fund each year to reflect the movement in the net book value of the assets purchased from this funding.

Steve Morgan Foundation

This fund represents a grant awarded to bring back a five working day week for staff and extend the service to Liverpool clients.

SSDT

This fund represents a capital grant from ESF. The grant was awarded to contribute towards the cost of the capital expenditure at the 1-2-1 Detox unit. An amount is charged to the fund each year to reflect the movement in the net book value of the assets purchased.

Lloyds TSB

This fund represents a grant awarded towards the salaries of three detox unit night cover staff. The charity did not incur the level of expenditure it had expected for the project in the previous year and as a result repaid the above £14,000 during that year.

Big Lottery

This fund represents a grant towards the cost of a new photocopier and support costs for the first twelve months. An amount is charged to the fund each year to reflect the movement in the net book value of the photocopier purchased from this funding.

Awards for All

This fund represents a grant towards the cost of working on a one to one basis with 25 people who are suffering extreme exclusion as a result of substance misuse, mental ill-health, housing, criminality and financial problems to create personal development pathways.

Hemby Trust

This fund represents a capital grant. The grant was awarded to contribute towards the cost of the capital expenditure at the 1-2-1 Detox unit. An amount is charged to the fund each year to reflect the movement in the net book value of the assets purchased.

The Clothworkers

This fund represents a capital grant. The grant was awarded to contribute towards the cost of the capital expenditure at the 1-2-1 Detox unit. An amount is charged to the fund each year to reflect the movement in the net book value of the assets purchased.

Sovini Restricted Donation

This fund represents a restricted donation. The donation was awarded to contribute towards the cost of the capital expenditure at the 1-2-1 Detox unit. An amount is charged to the fund each year to reflect the movement in the net book value of the assets purchased.

Help the Homeless

This fund represents a capital grant. The grant was awarded to contribute towards the cost of the capital expenditure at the 1-2-1 Detox unit. An amount is charged to the fund each year to reflect the movement in the net book value of the assets purchased.

14. UNRESTRICTED FUNDS

The general (unrestricted) fund may be used at the discretion of the board of trustees in furtherance of the charitable company's objects.

TRANSFERS

There was a transfer between the General fund and the Steve Morgan Foundation. This represented expenditure incurred by the General fund which relates to the Steve Morgan Foundation.

15. DESIGNATED FUND

The cessation fund was set aside by the charity trustees/directors in the event of the charity winding up its activities. The amount designated is an estimate of the additional costs that would be incurred upon cessation.

16. COVID-19

In early 2020, a new coronavirus COVID-19, impacted a significant number of countries globally. COVID-9 has caused disruption to economic activity which has been reflected in recent fluctuations in global stock markets. The Trustees consider the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at the time to provide a quantative estimate of the impact of the virus.

